

<p><b>PRODUCT DISCLOSURE SHEET</b></p> <p>Please read this Product Disclosure Sheet before you apply and decide to accept the SME Biz G.R.O.W Financing Program. Be sure to read the terms and conditions in the letter of offer. Seek clarification from the Bank if you do not understand any part of this document or the general terms.</p>	<p><b>BANK ISLAM MALAYSIA BERHAD</b>  <b>[Registration No. 198301002944 (98127-X)]</b></p> <p><b>SME Biz G.R.O.W Financing Programme</b>  <b>19 January 2022</b></p>
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## 1. WHAT IS THIS PROGRAM ABOUT?

- SME Biz GROW Financing (Tawarruq) Programme is a financing programme designed for Small and Medium Enterprise (SMEs) to cater for their working capital and/or capital expenses.
- Targeted to Malaysian entrepreneurs that have been in business for at least two (2) years and fulfill the following eligibility criteria:
  - i) Private Limited company, sole-proprietorships, partnerships and professional services providers and must fall within SME definition;
  - ii) Malaysian owned with at least 51% shareholding;
  - iii) Registered with the following:
    - a) Companies Commission of Malaysia either under the Registrar of Business Act (1956) or the Companies Act 1965 and/or the Companies Act 2016 or Limited Liability Partnership Act 2012 (private limited, sole proprietorship and partnership; or
    - b) Respective authorities or district offices in Sabah and Sarawak; or
    - c) Respective statutory bodies for professional services providers for the following professions:
 

• Doctors and dentists	• Accountants	• Pharmacist
• Engineers	• Optometrist	• Architect
• Quantity Surveyor	• Veterinary	
- Under this program, the customer will be offered Business Financing-i (BF-i) product at variable rates under the contract of Tawarruq. The monthly payment may be varied from time to time based on the changes to the latest Base Financing Rate (BFR) provided that the total instalment amount shall not exceed the Bank's Sale Price.

## 2. WHAT IS THE SHARIAH CONCEPT APPLICABLE?

- **The Shariah concept used is Tawarruq.**  
 A tawarruq consists of two sale and purchase contracts. The first involves the sale of an asset by a seller to a purchaser on a deferred basis. Subsequently, the purchaser of the first sale will sell the same asset to a third party on a cash and spot basis
- **Tawarruq concept is further described as follows:-**  
 Customer purchases commodity from the Bank based on Murabahah contract at the Bank's Sale Price. In this arrangement, the purchase will be performed by the Bank as the Purchase Agent for the customer. As the Sale Agent for the customer, the Bank shall sell the commodity to a commodity purchaser at cost price. Proceeds from the transaction will be credited for the customer's utilization. The customer is obliged to pay the amount due from the Murabahah transaction as per the agreed terms.

"Commodity" means any commodity acceptable to the Bank e.g. palm oil, plastic resin, rubber, cocoa beans, soy beans, timber and metal (excluding gold and silver) traded at any commodity trading platform approved by the Bank. The purchase and sale of the commodity are performed based on the mandate of the customer, where the Bank as Purchase Agent and Sale Agent trades the Commodity as made available and provided by commodity providers subject to the Bank prevailing policies.

▪ **The product structure for BF-i is as follows:**

No	Description
1	Customer obtains financing from the Bank and executes Tawarruq transaction documents.
2	Bank buys commodity from Commodity Supplier.
3	Bank sells commodity to customer on Murabahah at Selling Price. In this arrangement, the purchase will be performed by the Bank as the Purchase Agent to the customer.
4	Bank acting as Sale Agent, on behalf of the customer, sell the commodity to the Commodity Buyer at cost price.
5	The Bank credits Customer's account with proceeds from the sale of commodity
6	The Customer settles the amount due to the Bank (from Murabahah sale) by way of agreed payment terms.

### 3. WHAT DO WE GET FROM THIS PROGRAM?

No.	Features	Details
1.	<b>Financing Amount</b>	<p><b>Sdn Bhd</b></p> <ul style="list-style-type: none"> <li>Minimum financing amount: RM100,000</li> <li>Maximum financing amount: RM2.5 million</li> </ul> <p><b>Sole-proprietorship/Partnership/Professional Services Providers</b></p> <ul style="list-style-type: none"> <li>Minimum financing amount: RM100,000</li> <li>Maximum financing amount: RM1.0 million</li> </ul>
2.	<b>Financing Purpose</b>	<p>For Working Capital Requirements (WCR) and Capital Expenses (CAPEX) This is inclusive of legal documentation costs, Syarikat Jaminan Pembiayaan Perniagaan (SJPP) guarantee fee for the first year and any other costs which have been approved by the bank.</p> <p><b>Note:</b> The financing cannot be used to refinance existing financing granted by the Bank or other bank. The Bank reserves the right to terminate the facility in the event the Bank discovers that the facility is used for other purpose.</p>
3.	<b>Margin of Financing</b>	100% for WCR / 90% for CAPEX.
4.	<b>Profit Rate</b>	Minimum BFR+1.75% per annum.
5.	<b>Tenure</b>	Up to seven (7) years
6.	<b>Guarantee Coverage</b>	Up to 80% Guarantee Coverage under Government Guarantee Scheme managed by SJPP (depends on the scheme offered by SJPP).

<b>7. Guarantee Fee</b>	Starting from 0.75% per annum from the coverage amount (depends on the scheme offered by SJPP). The Bank will only finance the first year of the SJPP Guarantee fee. For the subsequent years, Guarantee Fee will be debited from the customer's account in Bank Islam.	
<b>The sample calculation is illustrated below:</b>		
Financing Amount	: RM2,500,000.00	*Base Financing Rate (BFR) is assumed at 5.47% p.a. while the spread is at 1.75% p.a.  [BFR (as at 10 July 2020) is 5.47%. Kindly refer to Bank Islam's website at <a href="http://www.bankislam.com">www.bankislam.com</a> for the latest BFR.]
Contracted Profit Rate	: 15%	
Effective Profit Rate	: 7.22%* (BFR + Spread)	
Tenure	: 7 years	
Bank's Sale Price	: RM3,192,094-92	
<b>Formula on calculation of profit :</b>		
$\frac{\pi = P \times r \times t}{N}$		<b><math>\pi</math> = Profit</b> <b>P = Principal amount</b> <b>r = Financing Rate</b> <b>t = number of days</b> <b>N = total number of days in a year</b>

Note: The above example is only for illustration purpose and it may not show the actual financing obligation.

#### 4. WHAT ARE MY OBLIGATIONS?

- You are required to pay the instalment (monthly, quarterly, half yearly or yearly) as approved by the Bank.

##### Example (based on question 3 above)

- Your monthly instalment is RM38,001.13 (on assumption that BFR does not change).
- Total payment amount at the end of 7 years is RM3,192,094-92.
- If applicable, rebate will be provided if there is a difference between the ceiling rate and the Bank's effective profit rate.

**Important:** Your monthly instalment and total payment will vary if the BFR changes. For example:

Profit Rate	Today (BFR = 5.47% p.a.)	If BFR goes up 1%	If BFR goes up 2%
Monthly Instalment	RM 38,001.13	RM 39,240.12	RM 40,502.38
Total profit cost at the end of 7 years	RM 692,094.92	RM 796,170.08	RM 902,199.92
Total payment amount at the end of 7 years	RM 3,192,094.92	RM 3,296,170.08	RM 3,402,199.92

#### 5. WHAT ARE THE FEES AND CHARGES THAT WE HAVE TO PAY?

- Syarikat Jaminan Pembiayaan Perniagaan (SJPP) Guarantee Fee (as charged by SJPP) – min 0.75% per annum from the coverage amount starting from second year of financing until the end of financing tenure.
- Stamp Duty (as per Stamp Duty Act 1949 (Revised 1989)).
- Takaful Contribution fee (if applicable).
- Tawarruq Agency fee of RM50.00 (included into the financing amount).

- You are required to pay the Bank all costs (if any) for the preparation and registration of securities documents that has been incurred by the Bank in connection with the facility including all expenses incurred during the claim process if the facility is cancelled.
- Cancellation fee of RM100.00 (as charged by SJPP) if the facility is cancelled due to the following circumstances:
  - i) For cancellation of the guarantee as per your request; or
  - ii) For failure to disburse the facility due to breach of any terms and conditions by you after a period of six (6) months from the date of receipt by Bank of SJPP's approval and subsequent cancellation of the guarantee approval.

## 6. WHAT IF WE FAIL TO FULFILL OUR OBLIGATIONS?

Should you fail to fulfill your obligation in a timely manner, the following shall apply: -

- **Upon Default:**
  - a) the Bank may by written notice to you, demand for immediate payment of amount overdue from you and/ or the guarantor.
  - b) the Bank has the right to set off your deposit or any other account(s) maintained with the Bank towards settlement of overdue payment under these facilities granted by the Bank.
  - c) the Bank has the right to take legal action against you if you fail to respond to the reminder notices. The Bank shall exercise its right on any security pledged with the Bank and you are to bear all the cost involved. You are also responsible to settle any shortfall. Legal action against you may affect your credit rating leading to any future credit assessment being more difficult or expensive to you, and;
  - d) Cross default of other facilities with the Bank may be triggered.

- **Late Payment**

The Bank shall impose Ta'widh (compensation for late payment) to you as follows:

- a) **Before maturity of the facility**

A sum equivalent to one per centum (1%) per annum on overdue instalment(s) until date of full payment.

Formula:

Overdue instalment(s) x 1% x No. of overdue day(s) / 365

- b) **After maturity of the facility**

A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate (IIMM) on outstanding balance i.e. outstanding Sale Price less ibra' (rebate) (if any).

Formula:

Outstanding Sale Price (less ibra'(rebate)) x Prevailing IIMM% x No. of overdue day(s) / 365

- c) **Post judgment debt**

A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate on basic judgment sum calculated from judgment date until date of full payment.

Formula:

Outstanding Sale Price (less ibra'(rebate)) x Prevailing IIMM% x No. of overdue day(s) / 365

**Note:** The imposition of Ta'widh shall be in such manner as approved by BNM.

## 7. WHAT IF WE FULLY SETTLE THE FINANCING BEFORE ITS MATURITY?

- The Bank undertakes to grant you an ibra' (rebate) which is equivalent to the deferred profit at the point of settlement.

**Ibra' (rebate) Formula:**

**Ibra' (Rebate on early settlement) = Deferred Profit**

**Note:**

- i. Deferred Profit = Total Contracted Profit – Accrued Profit
  - ii. Total Contracted Profit = Sale Price – Purchase Price (or Financing Amount)
  - iii. Accrued Profit is calculated based on effective profit rate of the outstanding Purchase Price (or Financing Amount) being disbursed (or utilized)
- The Bank does not impose a lock-in period for this facility and there is no fee imposed for early settlement before maturity.

## 8. DO WE NEED A GUARANTOR OR COLLATERAL?

Collateral required for this programme is as follows:

- i) Up to 80% Guarantee Coverage under Government Guarantee Scheme managed by SJPP (depends on the scheme offered by SJPP)
- ii) Joint and several guarantees (JSG) by the directors

## 9. WHAT ARE THE MAJOR RISKS?

The Bank's effective profit rates offered may fluctuate during the tenure of the financing for facility with variable rate. An increase in base financing rate may result in higher monthly payment. However, the Bank's effective profit rate should not exceed the ceiling rate.

## 10. WHAT DO WE NEED TO DO IF THERE ARE CHANGES TO OUR CONTACT DETAILS?

It is important for you to immediately inform us of any changes in your contact details to ensure that all correspondences reach you in a timely manner.

## 11. WHERE CAN WE GET ASSISTANCE AND REDRESS?

- If you have difficulties in servicing the payments, you should contact us earliest possible to discuss the payment options. You may contact us at:

**SME Banking**

**Bank Islam Malaysia Berhad**

16th Floor, Menara Bank Islam

No 22, Jalan Perak,

50450 Kuala Lumpur

Fax: 03-2688 2711

Email: [sme-assist@bankislam.com.my](mailto:sme-assist@bankislam.com.my)

- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services and money management, credit counseling, financial education and debt restructuring for SME. You can contact AKPK at:

**Agensi Kaunseling dan Pengurusan Kredit (AKPK)**

Level 5 and 6,

Menara Bumiputra Commerce

Jalan Raja Laut

50350 Kuala Lumpur  
Tel: 603 -2616 7766  
Fax: 603 -2616 7601  
Website: [www.akpk.org.my](http://www.akpk.org.my)

- If you wish to complaint on the products or services provided by us, you may contact us at:

**Contact Centre & Customer Care**

**Bank Islam Malaysia Berhad**

17th Floor, Menara Bank Islam  
No 22, Jalan Perak,  
50450 Kuala Lumpur  
Tel: 03-26 900 900  
Fax: 03-2782 1337  
Email: [customercare@bankislam.com.my](mailto:customercare@bankislam.com.my)

- If the query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:

**Block D, Bank Negara Malaysia,**

Jalan Dato' Onn,  
50480 Kuala Lumpur.  
Tel: 1-300-88-5465  
Fax: 03-2174 1515  
Email: [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my)

## 12. WHERE CAN WE GET FURTHER INFORMATION?

- Should you require additional information about the program, please refer to our branches or contact:

**Contact Centre & Customer Care**

**Bank Islam Malaysia Berhad**

17th Floor, Menara Bank Islam,  
No. 22, Jalan Perak,  
50450 Kuala Lumpur.  
Tel: 03-26 900 900  
Email: [contactcenter@bankislam.com.my](mailto:contactcenter@bankislam.com.my)

**IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP PAYMENTS OF YOUR FACILITY.**

The information provided in this Product Disclosure Sheet is valid as at 19/01/2022.

Acknowledge Receipt by Customer

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PRODUCT DISCLOSURE SHEET  
**SME Biz G.R.O.W Financing Programme**



Assuring Trust. Delivering Value.

Name:

I/C Number:

Date:

